

GAO Highlights

Highlights of [GAO-18-658](#), a report to the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VA provides health care services, including pharmacy services, to approximately 9 million veterans each year. Since 2000, VAMCs have faced recurring challenges in managing their pharmacy inventories, including difficulties with accurately accounting for and updating inventory totals through their pharmacy systems.

GAO was asked to review VA pharmacy inventory management. This report (1) describes approaches selected VAMCs use to manage their pharmacy inventories and (2) assesses the extent to which VA oversees VAMCs' efforts to manage their pharmacy inventories.

To conduct this work, GAO visited a non-generalizable selection of five VAMCs chosen for the complexity of services offered and variation in location. GAO also reviewed VA national policies and local policies for the selected VAMCs and interviewed VA officials at the headquarters, regional, and local levels. GAO assessed VA's oversight of pharmacy management in the context of federal internal control standards.

What GAO Recommends

GAO recommends that VA designate a focal point for overseeing VAMCs' pharmacy inventory management efforts system-wide and define the focal point's responsibilities. VA concurred in principle with the recommendation.

View [GAO-18-658](#). For more information, contact Sharon Silas at (202) 512-7114 or silass@gao.gov.

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VA HEALTH CARE

Pharmacy Inventory Management Could Benefit from System-Wide Oversight

What GAO Found

Selected Department of Veterans Affairs' (VA) medical centers (VAMC) use generally similar approaches for managing their pharmacy inventories. For example, all VAMCs store certain medications in secured areas. However, GAO found that VAMCs have also taken unique approaches for procuring and tracking medications, as allowed under VA policy. For example, to better address medication shortages, one VAMC pharmacy GAO visited established a shortage committee that meets on a weekly basis. Another VAMC pharmacy uses an automated dispensing machine together with compatible software that allows the pharmacy to track the location of most inpatient medications in real-time (see figure).

Automated Dispensing Machine at a Veterans Affairs Medical Center



Source: Department of Veterans Affairs. | GAO-18-658

GAO also found that VA's oversight of VAMCs' pharmacy inventory management is limited as VA lacks a comprehensive inventory management system or a focal point for system-wide oversight. In May 2018, VA signed a contract for a new electronic health records system that should allow VA to monitor VAMCs' inventories; however, VA officials expect implementation of this system to take up to 10 years. Based on a review of VA policies and interviews with VA officials, GAO found that VA has not designated a focal point with defined responsibilities for system-wide oversight of VAMCs' pharmacy inventory management. This is inconsistent with federal internal control standards for monitoring and establishing structure and authority to achieve an entity's objectives. Without a focal point for system-wide oversight, VA has limited awareness of the unique approaches that VAMCs use to manage their inventories and is missing an opportunity to evaluate these approaches. Additionally, VA cannot effectively share and standardize inventory management best practices as appropriate. Having a focal point is especially important given that VAMCs have historically had challenges in managing their inventories and a comprehensive pharmacy inventory management system may not be available for the foreseeable future.